



Senators Feinstein, Collins Introduce Social Security Fairness Act March 14, 2005

Washington, DC – U.S. Senators Dianne Feinstein (D-Calif.) and Susan Collins (R-Maine) introduced legislation today to eliminate the Government Pension Offset and Windfall Elimination provisions in Federal law that sharply reduce Social Security benefits for public employees or their spouses. The bill is co-sponsored by Senators Mark Dayton (D-Minn.), Christopher Dodd (D-Conn.), Frank Lautenberg (D-NJ), Blanche Lincoln (D-Ark.), and Bill Nelson (R-Fla.).

“This is a matter of fairness – public employees deserve the chance to earn the same Social Security benefits as private sector workers when they retire,” Senator Feinstein said. **“These provisions amount to a serious disincentive to a career in public service at a time when we need to be doing all that we can to attract qualified people to government.”**

Nearly one million government retirees nationwide including hundreds of thousands teachers, police officers, and firefighters are affected by the Government Pension Offset and Windfall Elimination provisions. The states that maintain their own public employee retirement systems – Alaska, California, Colorado, Connecticut, Illinois, Kentucky, Louisiana, Maine, Massachusetts, Missouri, Ohio, and Oklahoma – are hit hardest by the provisions.

The current Government Pension Offset provision reduces Social Security spousal benefits by an amount equal to two-thirds of the spouse's public employment civil service pension. In some cases, this means the elimination of a spouse's entire Social Security benefit. According to the Congressional Budget Office, the GPO provision cuts benefits of approximately 200,000 Americans by over \$3,600 per year.

The Social Security Windfall Elimination Provision reduces Social Security benefits for retirees who paid into Social Security and also receive a government pension, such as from a teacher retirement fund. Private sector retirees receive monthly Social Security checks equal to 90 percent of their first \$627 in average monthly career earnings, plus 32 percent of monthly earnings up to \$3,152 and 15 percent of earnings above \$3,152. Government pensioners, however, are only allowed to receive 40 percent of the first \$627 in career monthly earnings, a penalty of over \$300 per month.

“Record enrollments in public schools and the projected retirements of thousands of veteran teachers are driving an urgent need for teacher recruitment,” Senator Feinstein said. **“It is estimated that schools will need to hire between 2.2 million and 2.7 million new teachers nationwide by 2009. We need to act quickly on this legislation to make teaching and other forms of public service more attractive.”**

California currently has more than 300,000 teachers, but will need to hire an additional 300,000 teachers by 2010 to keep up with its rate of student enrollment.

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